

Message Text

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PAGE 01 BRASIL 0700Z 062150Z
ACTION ARA-14

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E.O. 11652: N/A
TAGS: ELAB, BR
SUBJECT: BANK WORKERS RETURN TO JOBS: SAO PAULO TEACHERS STAY OUT

REFS: (A) SAO PAULO 2600, (B) BRASILIA 6488

1. THE SAO PAULO BANK WORKERS STRIKE, WHICH HAD SHOWN SIGNS OF BECOMING THE FIRST MAJOR TEST OF THE GOVERNMENT'S NEW PROHIBITION AGAINST STRIKES BY PUBLIC-SERVICE EMPLOYEES (SEE REFTEL B), ENDED SEPTEMBER 4 WITHOUT EVER GETTING FAR OFF THE GROUND. UNDER THREAT OF JOB LOSS AND LEGAL SANCTIONS, THE RELATIVELY FEW BANK WORKERS WHO HAD WALKED OUT SEPTEMBER 1 WERE NEARLY ALL BACK ON THE JOB WHEN BANKS REOPENED SEPTEMBER 4. ON SEPTEMBER 5 A NEW SALARY AGREEMENT WAS REACHED WHICH PROVIDES BANK EMPLOYEES PAY RAISES OF BETWEEN 5 AND 15 PERCENT IN ADDITION TO NORMAL INCREASES DETERMINED BY COST OF LIVING INDICES. A 20 PERCENT HIKE HAD BEEN SOUGHT BY THE UNION.

2. WORK STOPPAGES WERE NOTED IN ONLY 12 OF THE 1,500 BANK BRANCHES IN SAO PAULO DURING THE BRIEF STRIKE. SUCH LIMITED SUPPORT LED THE UNION LEADERSHIP TO CONCEDE THAT THE STRIKE MOVEMENT HAD FOUNDERED, A RESULT THE LEADERSHIP ATTRIBUTED TO THE GOVERNMENT'S

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PAGE 02 BRASIL 0700Z 062150Z

ACTION.

3. THE MINISTER OF LABOR, ARNALDO PRIETO, HAD ISSUED A RESOLUTION DATED SEPTEMBER 2, RETROACTIVE TO SEPTEMBER 1, WHICH STATED THAT THE SAO PAULO BANK STRIKE WAS ILLEGAL UNDER TERMS OF DECREE-LAW 1632 AND THAT UNION LEADERS WHO DIRECTLY OR INDIRECTLY SUPPORTED OR PROMOTED THE STRIKE WOULD BE SUBJECT TO LEGAL PENALTIES.

THIS LEADS TO THE POSSIBILITY OF PUNISHMENT FOR 33 UNION LEADERS, INCLUDING THE PRESIDENT OF THE POWERFUL SAO PAULO METALWORKERS UNION, LUIS INACIO DA SILVA. IN ADDITION, THE PRESS REPORTED THAT SOME 200 BANK WORKERS INVOLVED IN THE STRIKE HAD BEEN DISMISSED FROM THEIR JOBS UNDER AUTHORITY GRANTED EMPLOYERS IN EARLIER LEGISLATION.

4. FOLLOWING THE SEPTEMBER 5 SIGNING OF THE NEW CONTRACT, THE PRESIDENT OF THE NATIONAL FEDERATION WHICH INCLUDES BANKWORKERS WAS QUOTED AS DENOUNCING THE GOVERNMENT PRESSURE WHICH PRODUCED THE ACCORD. "WE BANK WORKERS ARE NOT SIGNING AN AGREEMENT," HE SAID, "BUT A TREATY OF SURRENDER". HE WENT ON TO CLAIM THAT THE EMPLOYEES WERE NOT DEFEATED BY THE EMPLOYERS ALONE BUT WERE AIDED "BY ARMY AND AMPLE AMMUNITION" FROM THE FEDERAL GOVERNMENT.

5. MEANWHILE, A STRIKE OF ELEMENTARY SCHOOL TEACHERS IN THE STATE OF SAO PAULO, WHICH HAS LEFT 5 MILLION CHILDREN WITHOUT CLASSES, ENTERED ITS THIRD WEEK. WITH TEACHERS' DEMANDS INCLUDING RETROACTIVE WAGE INCREASES OF UP TO 38 PERCENT, THERE IS NO END OF THE WALKOUT IN SIGHT. ON THE OTHER HAND, A MASS STRIKE OVER WAGE AND TENURE ISSUES IN THE STATE OF PARANA WAS SETTLED LAST WEEK.

6. COMMENT: THOUGH HARDLY OF CRISIS PROPORTIONS, THE MINI-WAVE OF STRIKES THAT HAS AFFECTED THE SOUTHERN PART OF THE COUNTRY RECENTLY IS AN UNACCUSTOMED PHENOMENON IN LIMITED OFFICIAL USE

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PAGE 03 BRASIL 07002 062150Z

PRESENT-DAY BRAZIL. THE BANK WORKERS STRIKE -- THOUGH IT FELL FAR SHORT OF ITS ORGANIZERS' APPARENT AIMS -- WAS SIGNIFICANT FOR THE EVIDENCE IT ELICITED OF THE ADMINISTRATION'S DETERMINATION TO IMPLEMENT ITS DECISION LAST MONTH TO BAN STRIKES IN ESSENTIAL INDUSTRIES AND PUBLIC SERVICES.
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